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UNITED PRESS INTERNATIONAL  
21 September 1984

REWALD  
HONOLULU

The CIA planned to kill a former Honolulu investment counselor whose company provided cover for some of the agency's most sensitive and potentially embarrassing operations, ABC News reported.

ABC reported Thursday that the investment firm of Bishop, Baldwin, Rewald, Dillingham and Wong was involved in secret arms sales to Taiwan, Syria and India for the CIA and promoted financial panic in Hong Kong to encourage the flow of money to the United States.

The defunct firm was headed by Ronald Rewald, 41, who faces 100 federal counts for allegedly bilking 400 investors out of \$22 million. He has maintained he was a covert agent for the CIA. ABC said it has evidence to support the claim.

Rewald told ABC News he initially was skeptical of reports the CIA was trying to kill him.

"At first I didn't believe it," Rewald said. "I thought it was total nonsense. It took a lot of convincing, a lot of evidence and a lot of the facts to be checked out before I recognized that it was, in fact, what was going on."

Scott Barnes, who ABC said has an extensive intelligence background, got a job in November for one month in the Honolulu prison where Rewald was being held, ABC reported.

Barnes told ABC the CIA put him into the prison to find out who Rewald was talking to and what he was saying. Barnes said he also was to check on Rewald's mental and emotional status.

Barnes told ABC he met with his CIA contact later at a Waikiki hotel and the contact told him Rewald had to be killed.

"He was a company problem," Barnes said. "He no longer was an asset but a liability."

Barnes told ABC he quit the assignment and left Hawaii.

ABC reported lawyer Brent Carruth, involved in another CIA-related case, said the story did not surprise him.

Carruth represents Richard Craig Smith, a Washington state man accused of selling the names of six U.S. intelligence agents to the Soviet Union for \$11,000.

"I was told in no uncertain terms that they would take any steps that were necessary to protect a particular agent and that they were going to cover people," he said. "Once that was done, then they were going to go after Ron Rewald, not before."

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ABC said the CIA denied it tried to kill Rewald and would not say whether it tried to buy off investors. Many investors have filed lawsuits against the CIA hoping to recoup the money they lost in the Rewald firm.

Investor Ted Frigard, who lost \$287,000, told ABC the government offered to give him \$350,000 in unregistered municipal bonds if he would drop his lawsuit.

"Then as we got up to leave, the man said, 'You know, if you become too much of a pain in the ... they will shoot you through the heart,'" Frigard said.

Frigard told ABC News the government never came up with the money and he is continuing his lawsuit.

The report was the result of a six-month investigation by ABC.

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UNITED PRESS INTERNATIONAL  
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REWALD

WASHINGTON

A now-bankrupt firm owned by Ronald Rewald was used by the Central Intelligence Agency to conduct intelligence operations and make secret shipments of weapons to foreign countries, ABC News reported.

ABC said Wednesday night that it learned the agency was heavily involved in the firm of Bishop, Baldwin, Rewald, Dillingham & Wong and used it for a number of operations, one of which violated an international treaty.

Rewald, who has been jailed on charges of swindling 400 investors out of \$22 million, has repeatedly said he was a CIA agent and his firm was an agency front.

The CIA has admitted a "slight involvement" with the company but refuses to say whether Rewald was an agent. ABC said, however, the CIA has admitted to the House oversight and investigation subcommittee Rewald was an agent with a signed secrecy agreement.

Thomas Hayes, appointed by the court as the company's bankruptcy trustee, confirms Bishop, Baldwin was used as a commercial cover operation by the CIA. "But that doesn't justify stealing \$22 million of someone's money," he said.

Rewald, who faces 100 counts of fraud, tax evasion and perjury, denied the money was gone at all. He told ABC it was merely transferred to different banks under other names, the report said.

Bishop, Baldwin consultant Robert Jinks, who also said he was a CIA agent, told the network he has seen documentation of undercover operations being carried on by the company.

Jinks said he and Rewald went to Hong Kong on a clandestine mission to spread scare stories about the financial impact of China taking over the colony when Britain's lease runs out in 1997.

"We were doing our part, just like everyone else was, to keep that money flowing towards the United States as opposed to Europe or some other country," Rewald said.

ABC also said its six-month investigation disclosed Bishop, Baldwin was involved in arranging secret arms shipments to countries such as Syria, India and Taiwan.

Russell Kim, another agent according to the network, said in a sworn statement the Taiwan shipment included such items as laser-sighting devices for M-16 rifles, armored personnel carriers and M-60 tanks.

The multimillion-dollar deal enabled the CIA to circumvent the United States' agreement with Mainland China not to supply certain offensive weapons to Taiwan, ABC said.

Among the 400 investors of the firm were Gen. Arnold Braswell, Pacific Air Force commander, and two former CIA station chiefs in Honolulu.

Although both the Securities and Exchange Commission and IRS have filed charges against Rewald, ABC said an earlier confidential SEC report it has

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obtained showed the commission found no violations in the firm's investment activities.

Evidence from several sources confirmed the CIA was able to stop an initial IRS investigation, the network said.

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UNITED PRESS INTERNATIONAL  
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REWALD  
WASHINGTON

The CIA conducted foreign and domestic intelligence operations, including secret shipments of weapons to foreign countries, through a firm the government charges was forced into bankruptcy by Ronald Rewald, ABC News reported Wednesday night.

Rewald, jailed on charges of swindling 400 investors out of \$22 million, has claimed he was a CIA agent and that the investment firm Bishop, Baldwin, Rewald, Dillingham and Wong that eventually went bankrupt was a CIA front.

The CIA will not say whether Rewald was an agent, but admits it had "slight involvement" with the Bishop Baldwin Co. The man appointed as the firm's bankruptcy trustee confirms the CIA connection, ABC said.

"Clearly this was a commercial cover operation for the CIA," trustee Thomas Hayes told ABC. "One or more agents used it for that purpose. But that doesn't justify stealing \$22 million dollars of someone's money."

Rewald denied the money is missing, saying it is in several different banks under other names.

ABC said it has learned the agency was heavily entrenched in Bishop-Baldwin, "running a number of foreign and domestic intelligence operations, one of which violated an international treaty."

"I saw personally documentation of undercover operations that were being carried on under the covers established by Bishop Baldwin ... for the CIA," Robert Jinks, a Bishop Baldwin consultant told ABC.

Jinks said he too was a CIA agent and once went to Hong Kong with Rewald on a clandestine mission to "spread scare stories about the financial impact of China taking over (Hong Kong) when Britain's lease runs out in 1997."

"The firm even released a lengthy report which encouraged investors to move their money elsewhere," he said.

Rewald said, "We were doing our part, just like everyone else was, to keep that money flowing towards the United States as opposed to Europe or some other country."

"To fuel the panic in Hong Kong?" ABC asked. "That's right," Rewald said.

Bishop Baldwin was also involved in arranging secret shipments of military hardware to countries like Syria, India and Taiwan, ABC said.

Another agent, Russell Kim, in a sworn statement, said the Taiwan deal involved such items as laser-sighting devices for M-16 rifles, armored personnel carriers and M-60 tanks.

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The multimillion-dollar "backdoor" deal enabled the CIA on behalf of the U.S. government to circumvent its agreement with mainland China not to supply certain offensive weapons to Taiwan, ABC said.

"I don't think any of us really doubted that we had an obligation to Taiwan that we were willing to support them on an ongoing basis," Rewald said. "However, that's not something that could be done overtly."

Both the Securities and Exchange Commission and the IRS have filed charges against Rewald, and ABC said the House Oversight and Investigation subcommittee is scrutinizing Bishop Baldwin and its CIA connection.

ABC said the CIA has admitted to the subcommittee Rewald was an agent with a signed secrecy agreement.

Rewald still faces 100 federal charges of fraud, tax evasion and perjury.

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